

Rocky View County
Financial Statements
December 31, 2024

Management's Responsibility for Financial Reporting

Management has prepared the financial statements in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include specific amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen the most appropriate to ensure that the financial statements are presented fairly in all material respects.


The County maintains internal accounting and administrative controls consistent with reasonable cost. Such measures are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the County's assets are appropriately accounted for and adequately safeguarded.

The County's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Annually, the Financial Services manager presents to the County's Council a report detailing management's response to annual audit findings, variance explanations on financials, significant highlights of the financial statements, and administration recommendations that the financial statements be approved. The external auditors also discuss their findings based on previously presented audit plans with the County's Council. Throughout the year, Finance, through the Governance Committee, will also present financial statements for information purposes. This process ensures that each party properly discharges their responsibilities transparently and that a review of the financial statements and the external auditor's report is completed.

The Reeve and Council consider this information when approving the financial statements for issuance to the ratepayers. The Reeve and Council also appoint the engagement of the external auditors.

BDO Canada LLP has audited the financial statements in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. BDO Canada LLP has full access to the County's Council and management.

Signed by:

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Isedua Agbonkhese

Manager, Financial Services



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Independent Auditor's Report

To the Council of Rocky View County

Opinion

We have audited the financial statements of Rocky View County (the County), which comprise the statement of financial position as at December 31, 2024, statement of operations, statement of change in net financial assets, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2024, and its results of operations, its measurement gains and losses, its changes in net financial assets, and its cash flows for the year ended in accordance with Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 22 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
April 30, 2025

ROCKY VIEW COUNTY
Statement of Financial Position
As at December 31, 2024

	2024 \$	2023 \$(Note 21,22)
FINANCIAL ASSETS		
Cash (Note 3)	50,246,014	37,744,737
Temporary investments (Note 2)	154,005,331	130,005,331
Receivables		
Taxes and grants in place of taxes (Note 4)	5,649,861	4,259,878
Trade and other receivables (Note 4)	12,491,145	14,624,054
Debt charges recoverable (Note 5)	300,022	331,921
	<u>222,692,373</u>	<u>186,965,921</u>
LIABILITIES		
Accounts payable and accrued liabilities	21,737,788	20,701,344
Deposit liabilities	7,825,302	6,721,652
Deferred revenue (Note 6)	68,983,474	57,770,798
Employee benefit obligations (Note 7)	1,480,518	1,333,972
Asset retirement obligation (Note 16)	3,869,164	3,748,757
Long-term debt (Note 8)	50,095,992	53,798,830
	<u>153,992,238</u>	<u>144,075,353</u>
NET FINANCIAL ASSETS	<u>68,700,135</u>	<u>42,890,568</u>
NON- FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	751,047,603	714,317,160
Resource asset	21,161,000	21,161,000
Inventory for consumption	3,379,340	3,165,138
Prepaid expenses	1,676,057	1,623,402
	<u>777,264,000</u>	<u>740,266,700</u>
ACCUMULATED SURPLUS (Schedule 1, Note 13)	<u>845,964,135</u>	<u>783,157,268</u>

Commitments and contingencies - See Note 10 and 11

The accompanying notes are an integral part of these financial statements

Signed by:

[Redacted Signature]

Reeve

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Signed by:

[Redacted Signature]

Manager, Financial Services

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ROCKY VIEW COUNTY
Statement of Operations
For the Year Ended December 31, 2024

	Budget \$ (Note 20)	2024 \$	2023 \$ (Note 21,22)
REVENUE			
Net municipal taxes (Schedule 3)	100,640,300	99,081,559	87,623,308
User fees and sales of goods	40,852,500	20,861,694	15,765,649
Cash-In-Lieu of Public Reserve	2,433,000	5,195,991	2,578,909
Government transfers for operating (Schedule 4)	9,654,700	2,294,374	2,128,394
Investment income	3,944,600	6,420,149	5,989,349
Penalties and cost of taxes	1,363,500	1,328,952	1,366,587
Development agreements and levies	11,933,900	6,672,116	18,425,482
Licenses and permits	5,774,900	6,965,118	7,827,393
Fines	987,400	1,243,020	1,108,888
Other	28,129,800	3,683,990	13,246,966
Total Revenue	205,714,600	153,746,963	156,060,925
EXPENSES			
Legislative	1,143,700	1,265,620	931,612
Administration	27,068,700	23,146,848	23,497,790
Fire	17,432,400	20,992,730	16,880,635
Disaster services	197,800	158,253	130,515
Bylaw enforcement	11,695,200	11,969,258	10,720,690
Transportation and field services	118,209,500	51,899,612	65,580,991
Water supply and distribution	7,579,000	7,361,067	7,494,642
Wastewater treatment and disposal	12,890,100	12,138,567	11,939,980
Waste management	3,312,500	2,758,118	2,674,223
Family and community support	1,108,100	1,142,038	1,107,943
Cemetery	1,617,400	2,074,950	1,841,474
Planning and development	8,700,500	7,245,349	5,599,148
Recreation, parks and community services	8,361,900	7,715,118	6,003,299
Total Expenses	219,316,800	149,867,528	154,402,942
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER	(13,602,200)	3,879,435	1,657,983
OTHER			
Contributed assets	-	50,765,625	15,521,843
Development agreements and levies	-	560,000	40,980
Government transfers for capital (Schedule 4)	23,234,100	7,601,808	10,167,275
Total Other	23,234,100	58,927,433	25,730,098
EXCESS OF REVENUE OVER EXPENSES	9,631,900	62,806,868	27,388,081
ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 13)	783,157,267	783,157,267	755,769,186
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	792,789,167	845,964,135	783,157,267

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Change in Net Financial Assets
For the Year Ended December 31, 2024

	Budget \$ (Note 20)	2024 \$	2023 \$ (Note 21,22)
EXCESS OF REVENUE OVER EXPENSES	9,631,900	62,806,868	27,388,083
Acquisition of tangible capital assets	(42,192,400)	(15,285,875)	(25,550,022)
Contributed tangible capital assets	-	(50,765,625)	(15,521,843)
Proceeds on disposal of tangible capital assets	205,000	404,032	186,863
Amortization of tangible capital assets	27,393,700	29,141,568	27,936,694
Loss (gain) on sale of tangible capital assets	-	(224,543)	59,183
	<u>(14,593,700)</u>	<u>(36,730,443)</u>	<u>(12,889,125)</u>
Use of (acquisition of) supplies inventories	-	(214,203)	(784,494)
Use of (acquisition of) prepaid assets	-	(52,655)	(147,025)
Use of (acquisition of) resource assets	-	-	-
	<u>-</u>	<u>(266,858)</u>	<u>(931,519)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(4,961,800)	25,809,567	13,567,439
NET FINANCIAL ASSET, BEGINNING OF YEAR	<u>42,890,568</u>	<u>42,890,568</u>	<u>29,323,129</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>37,928,768</u></u>	<u><u>68,700,135</u></u>	<u><u>42,890,568</u></u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024 \$	2023 \$ (Note 21,22)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenses	62,806,868	27,388,081
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	29,141,568	27,936,694
ARO Accretion Expense	61,215	143,287
(Gain) Loss on disposal of tangible capital assets	(224,543)	59,183
Tangible capital assets received as contributions	(50,765,625)	(15,521,843)
Non-cash charges to operations (net change):		
(Increase) Decrease in taxes and grants in place of taxes	(1,389,983)	544,331
Decrease in trade and other receivables	2,132,909	390,212
(Increase) in inventory for consumption	(214,203)	(784,494)
(Increase) in prepaid expenses	(52,655)	(147,025)
Increase (Decrease) in accounts payable and accrued liabilities	1,036,445	(1,854,897)
Increase in accounts payable amount applied to capital	2,391,965	2,043,802
Increase in deposit liabilities	1,103,650	660,002
Increase in deferred revenue	11,212,676	2,370,437
Increase in employee benefit obligations	146,546	134,246
Increase (Decrease) in ARO	59,192	(192,149)
Cash provided by (applied to) operating transactions	57,446,025	43,169,869
CAPITAL		
Accounts payable amount applied to capital	(2,391,964)	(2,043,802)
Acquisition of tangible capital & resource assets	(15,285,875)	(25,550,022)
Sale of tangible assets	404,032	186,863
Cash provided by (applied to) capital transactions	(17,273,807)	(27,406,961)
INVESTING		
(Increase) Decrease in investments	(24,000,000)	15,347,571
FINANCING		
Debt charges recovered	31,900	69,353
Long-term debt repaid	(4,625,425)	(5,741,872)
Long-term debt raised	922,584	1,084,806
Cash provided by (applied to) financing transactions	(3,670,941)	(4,587,713)
CHANGE IN CASH DURING YEAR	12,501,277	26,522,766
CASH AT BEGINNING OF YEAR	37,744,737	11,221,971
CASH AT END OF YEAR	50,246,014	37,744,737

Cash - See Note 3

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Changes in Accumulated Operating Surplus
For the Year Ended December 31, 2024
Schedule 1

	Unrestricted Surplus	Restricted (Note 21, 22)	Equity in Other Assets	Equity in Tangible Capital Assets	2024 \$	2023 \$ (Note 21,22)
Balance, Beginning of the Year	1,892,148	103,002,625	21,161,000	657,101,494	783,157,267	755,769,186
Annual Surplus	62,806,868	-	-	-	62,806,868	27,388,081
Unrestricted funds designated for future use	(31,947,950)	31,947,950	-	-	-	-
Restricted funds used for operations	7,938,052	(7,938,052)	-	-	-	-
Restricted funds use for tangible capital assets	-	(4,537,922)	-	4,537,922	-	-
Current year funds used for tangible capital assets	(9,761,307)	-	-	9,761,307	-	-
Contributed tangible capital assets	(50,765,625)	-	-	50,765,625	-	-
Disposal of tangible capital assets	179,489	-	-	(179,489)	-	-
Annual amortization expenses	29,141,568	-	-	(29,141,568)	-	-
Asset retirement obligation accretion expense	61,215	-	-	(61,215)	-	-
Long term debt related to tangible capital assets issued	(922,584)	-	-	922,584	-	-
Long term debt issued	922,584	-	-	(922,584)	-	-
Reclamation costs for Asset Retirement Obligation repaid	(4,870)	-	-	4,870	-	-
Long term debt related to tangible capital assets repaid	(4,593,523)	-	-	4,593,523	-	-
Change in accumulated operating surplus	3,053,917	19,471,976	-	40,280,975	62,806,868	27,388,081
Balance, End of Year	4,946,065	122,474,601	21,161,000	697,382,469	845,964,135	783,157,267

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024
Schedule 2

	Land		Engineered		Machinery and		2024	2023
	Land	Improvements	Buildings	Structures	Equipment	Vehicles	\$	\$
COST:								
BALANCE, BEGINNING OF YEAR	150,317,876	13,498,362	84,189,857	1,099,004,283	21,001,320	19,301,841	1,387,313,539	1,347,863,189
Acquisition of tangible capital assets	13,694,500	549,869		48,584,035	2,175,316	1,445,845	66,449,565	104,225,411
Construction-in-progress, net	6,922	172,569	231,686	(883,198)	(60,378)	134,332	(398,067)	(63,153,545)
Disposal of tangible capital assets	-		(24,686)	(294,925)	(528,483)	(937,739)	(1,785,833)	(1,621,516)
BALANCE, END OF YEAR	164,019,298	14,220,800	84,396,857	1,146,410,195	22,587,775	19,944,279	1,451,579,204	1,387,313,539
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	2,899,917	19,380,190	623,593,470	15,511,662	11,611,138	672,996,377	646,435,154
Annual Amortization		558,691	2,308,314	23,158,230	1,706,343	1,409,990	29,141,568	27,936,694
Accumulated amortization on disposals			(10,368)	(246,756)	(501,408)	(847,812)	(1,606,344)	(1,375,471)
BALANCE, END OF YEAR	-	3,458,608	21,678,136	646,504,944	16,716,597	12,173,316	700,531,601	672,996,377
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	164,019,298	10,762,192	62,718,721	499,905,251	5,871,178	7,770,963	751,047,603	714,317,160
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	150,317,876	10,598,445	64,809,667	475,410,813	5,489,658	7,690,701	714,317,160	
	Opening Balance	Additions	Transfer to TCA	Ending Bal	2024 Net Change			
Construction-in-progress	3,961,813	5,381,835	5,779,901	3,563,747	(398,066)			

ROCKY VIEW COUNTY
Schedule of Property and Other Taxes
For the Year Ended December 31, 2024
Schedule 3

	Budget \$ (Note 20)	2024 \$	2023 \$
TAXATION			
Real property taxes	150,750,117	149,249,005	129,927,205
Linear property taxes	13,513,598	13,379,034	13,098,162
Government grants in place of property taxes	88,085	87,209	87,209
Special assessments and local improvement taxes	554,200	632,111	476,362
	<u>164,906,000</u>	<u>163,347,359</u>	<u>143,588,938</u>
 REQUISITIONS FROM OTHER AUTHORITIES			
Alberta School Foundation Fund	57,183,200	57,183,189	52,195,833
Calgary Roman Catholic Separate School District	4,974,300	4,974,364	2,562,932
Rocky View Seniors Foundation	1,955,500	1,955,541	1,059,564
Designated Industrial Property Tax	152,700	152,706	147,301
	<u>64,265,700</u>	<u>64,265,800</u>	<u>55,965,630</u>
 NET MUNICIPAL TAXES	<u>100,640,300</u>	<u>99,081,559</u>	<u>87,623,308</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Government Transfers
For the Year Ended December 31, 2024
Schedule 4

	Budget \$ (Note 20)	2024 \$	2023 \$ (Note 21)
TRANSFERS FOR OPERATING:			
Provincial Government	9,654,700	2,294,374	2,128,394
Federal Government	-	-	-
	<u>9,654,700</u>	<u>2,294,374</u>	<u>2,128,394</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	21,034,100	7,601,808	7,398,104
Federal Government	2,200,000	-	2,769,171
	<u>23,234,100</u>	<u>7,601,808</u>	<u>10,167,275</u>
TOTAL GOVERNMENT TRANSFERS	<u>32,888,800</u>	<u>9,896,182</u>	<u>12,295,669</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Expenses by Object
For the Year Ended December 31, 2024
Schedule 5

	Budget \$ (Note 20)	2024 \$	2023 \$
EXPENSES BY OBJECT			
Salaries, wages and benefits	53,448,000	55,727,469	48,684,722
Contracted and general services	114,522,600	43,989,508	58,689,177
Materials, goods and supplies	12,910,700	10,987,881	10,019,885
Interest on long-term debt	3,123,700	3,038,125	3,478,782
Purchased from other Governments	884,900	716,933	728,018
Grants to organizations	3,678,800	3,328,775	2,129,612
Grants to local boards and agencies	2,367,600	2,295,495	1,885,011
Other	986,800	580,559	648,571
Amortization of tangible capital assets	27,393,700	29,141,568	27,936,694
Loss on disposal of tangible capital assets	-	-	59,183
Accretion of asset retirement obligation	-	61,215	143,287
TOTAL EXPENSES	219,316,800	149,867,528	154,402,942

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Segmented Disclosure
For the Year Ended December 31, 2024
Schedule 6

	General Government	Emergency Services	I & O Services	Planning & Development	Community Services	Total \$
REVENUE						
Net municipal taxes	99,081,559	-	-	-	-	99,081,559
Government transfers		385,812	7,013,940	231,686	2,264,744	9,896,182
User fees and sales of goods	354,111	1,033,331	17,721,419	1,752,833	-	20,861,695
Investment income	6,420,149	-	-	-	-	6,420,149
Contributed assets	-	-	37,071,125	-	13,694,500	50,765,625
Other revenues	7,404,830	1,416,702	9,813,754	7,003,751	10,150	25,649,187
	113,260,649	2,835,845	71,620,238	8,988,271	15,969,394	212,674,396
EXPENSES						
Salaries, wages and benefits	14,693,171	18,228,943	15,347,955	6,803,036	654,364	55,727,469
Contracted and general services	6,814,393	5,220,679	29,884,862	1,371,819	697,755	43,989,508
Materials, goods and supplies	511,185	797,567	9,663,071	11,280	4,778	10,987,881
Transfers to local boards and organizations	1,662,193	100,000	13,500	-	3,848,577	5,624,270
Long-term debt interest	-	13,871	3,024,254	-	-	3,038,125
Other expenses	36,200	716,933	605,574	-	-	1,358,707
	23,717,142	25,077,993	58,539,216	8,186,135	5,205,474	120,725,960
NET REVENUE, BEFORE AMORTIZATION	89,543,507	(22,242,148)	13,081,022	802,135	10,763,920	91,948,436
Amortization expenses	745,917	1,208,760	26,951,314	-	235,577	29,141,568
EXCESS (DEFFICIENCY) OF REVENUE OVER EXPENSES	88,797,590	(23,450,908)	(13,870,292)	802,135	10,528,343	62,806,868

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Segmented Disclosure
For the Year Ended December 31, 2023
Schedule 6

	General Government	Emergency Services	I & O Services	Planning & Development	Community Services	Total \$
REVENUE						
Net municipal taxes	87,623,308	-	-	-	-	87,623,308
Government transfers		245,315	10,408,523	-	1,570,321	12,224,159
User fees and sales of goods	330,486	717,745	13,637,085	1,151,842	-	15,837,158
Investment income	5,989,348	-	-	-	-	5,989,348
Contributed assets	-	-	10,102,743	-	5,419,100	15,521,843
Other revenues	4,508,942	1,316,069	30,926,091	7,836,754	7,350	44,595,207
	98,452,084	2,279,129	65,074,442	8,988,596	6,996,771	181,791,023
EXPENSES						
Salaries, wages and benefits	12,649,628	14,954,826	14,080,055	6,411,010	589,203	48,684,722
Contracted and general services	7,107,250	4,423,968	44,893,429	1,514,937	749,593	58,689,177
Materials, goods and supplies	522,682	517,720	8,961,731	13,590	4,162	10,019,885
Transfers to local boards and organizations	639,837	100,000	12,750	-	3,262,036	4,014,623
Long-term debt interest	-	19,400	3,459,382	-	-	3,478,782
Other expenses	250,407	728,018	600,634	-	-	1,579,059
	21,169,804	20,743,932	72,007,981	7,939,537	4,604,994	126,466,248
NET REVENUE, BEFORE AMORTIZATION	77,282,280	(18,464,803)	(6,933,539)	1,049,059	2,391,777	55,324,775
Amortization expenses	660,913	1,223,877	25,816,327	-	235,577	27,936,694
EXCESS (DEFFICIENCY) OF REVENUE OVER EXPENSES	76,621,367	(19,688,680)	(32,749,866)	1,049,059	2,156,200	27,388,081

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These financial statements of Rocky View County (the "County") are the representations of management prepared in conformity with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the County are outlined as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues, expenditures, changes in fund balances, and changes in the financial position of Rocky View County.

The tax schedule includes requisitions for education, health, social, and external organizations that are not part of Rocky View County. The financial statements exclude trust assets administered on external parties' behalf. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as incurred and measurable based upon receipt of goods or services and the legal obligation to pay.

Revenue Recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and the amounts to be received can be reasonably estimated and collection is reasonably assured.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered.

Revenue from transactions without performance obligation is recognized at realizable value when the County has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

User charges for which the related services have yet to be performed are recognized when related expenses are incurred, benefits are achieved, or tangible capital assets are acquired. Revenue on investments, fines, and penalties are recognized when earned.

Tax Revenue

The County recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by bylaw, and the taxable event has occurred. Tax Revenue is initially measured at the administration's best estimate of the amount resulting from the actual taxable event per legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. Requisitions operate as a flow-through and are excluded from municipal revenue.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

Government Transfers

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and any eligibility criteria have been met, and reasonable estimates of the amounts can be determined. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or as a result of direct financial return.

Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards (PSAS) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability. Amortization is based on the estimated useful lives of tangible assets. Asset Retirement Obligations are based on an estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. The valuation of inventory for consumption is subject to estimation uncertainty.

Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government.

There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. Management has reviewed the standard and all the financial instruments and determined the County does not have derivative or equity instruments and as such, all instruments are carried at cost or amortized cost. As a result, there are no additional financial instrument disclosures required. Refer to Note 14 on the County's financial instrument risk.

Investments

Investments are comprised of investments in qualifying instruments as defined in the County's Investment Policy #C-201. Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective assets. When there has been a value loss other than a temporary decline, the individual investment is

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

written down to recognize the loss. Investments are externally managed and consist of investments in guaranteed investment certificates with banks, treasury branches and credit unions.

Debt Charges Recoverable

Debt charges consist of amounts that are recoverable from municipal agencies or other local governments concerning outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt.

Local Improvement Charges

Local improvements are recognized as revenue, and established as a receivable, for the property owners's share of the improvements in the period that the project expenses are incurred. Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of related borrowings. These levies are collectible from property owners for work performed by Rocky View County.

Inventories for Resale

Gravel inventories held for resale are recorded at a lower cost or net realizable value. The cost is determined by the average cost method.

Asset Retirement Obligation:

Asset Retirement Obligations ("ARO") represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible capital assets ("TCA") include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the County to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered contaminated site if an unexpected event results in

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

contamination. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year and the excess of revenues over expenses provide the Change in Net Financial Assets (Debt) for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, including all amounts directly attributable to the asset's acquisition, construction, development, or betterment. The cost of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land Improvements	15-25
Buildings	10-50
Engineered structures	
Water system	30-75
Wastewater system	30-75
Other engineered structures	5-30
Machinery and equipment (owned and leased)	3-10
Vehicles	8-20

One-half of the annual amortization is charged in the year of acquisition and the year of disposal. Assets under construction are amortized once they are available for productive use.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii) Resource Asset

The water licenses are recorded at cost and have been assessed with an indefinite life. The assets will not be amortized, and impairment will be reviewed when there are indicators of a decline in value.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

iv) Leases

Leases are classified as capital or operating leases. Leases that substantially transfer all of the benefits and risks incidental to property ownership are accounted for as capital leases. At the inception of a capital lease, an asset and payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value.

All other leases are accounted for as operating leases, and the related lease payments are charged to expenses as incurred.

v) Inventories

Inventories held for consumption are recorded at a lower cost or net realizable value. The cost is determined by the average cost method for gravel inventory and FIFO for other inventory.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the levy exceeds the requisition, the over-levy is accrued as a liability, and property tax revenue is reduced. The under-levy is accrued as a receivable, and property tax revenue is increased where the actual levy is less than the requisition amount. Requisition tax rates in the subsequent year are adjusted for any over- or under-levies of the prior year.

Pensions

The County participates in two pension plans. The plans are accounted for as defined benefit plans. Contributions for current services are recorded as expenditures in the year they become due.

Funds Held in Trust

The County held \$2,159,614 in a Cemetery Perpetual Care Trust Account as of December 31, 2024 (2023 - \$1,776,004).

The County held \$199,037 in a Tax Recovery Trust account as of December 31, 2024 (2023 - \$162,871).

New Accounting Policies Adopted During the Year:

PS 3400 Revenue Recognition, establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023. The County has chosen to apply this standard using a retroactive approach. Revenues from previous years have been adjusted in accordance with this standard and both 2023 and 2024 numbers reflect the standards requirements for revenue recognition.

PSG-8 Purchased Intangibles Financial Statement Presentation allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023. This standard had no effect on the presentation of the County's financials. The county has a resource asset that is recorded at the cost of acquisition in accordance with previous financial statements.

PS3160 Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023. This standard had no effect on the presentation of the County's financials.

Future Accounting Standard Pronouncements

The Conceptual Frameworks for Financial Reporting - The conceptual framework is the foundation for principles-based standards. It is a coherent set of interrelated objectives and fundamentals leading to consistent standards or application of consistent concepts in the absence of specific standards. The County is expected to adopt this standard beginning December 31, 2027.

PS 1202 Financial Statement Presentation - PS 1202 will replace PS 1201 and sets out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework. The County is expected to adopt this standard beginning December 31, 2027

NOTE 2: INVESTMENTS

	<u>2024</u>	<u>2023</u>
Grants	\$17,154,562	\$13,185,537
Developer refundable deposits	3,766,708	3,918,285
Developer contributions	62,470	152,171
Other deferred revenue	34,005,554	34,983,187
County reserves and other	<u>99,016,037</u>	<u>77,766,151</u>
Total Investments	<u>\$154,005,331</u>	<u>\$130,005,331</u>

Investments and deposits have an effective interest rate of 3.96% to 5.47% (2023 5.70% – 6.35%) and mature in less than one year.

Investments include funds that are designated for developer's refundable deposits, public reserve funds and grant funds of \$17,154,562 for capital and operating expenditures, which includes

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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\$6,676,691 from Alberta Community Resilience Program, \$3,709,857 from Municipal Sustainability Initiative, \$2,852,656 from Drought and Flood Protection Program, \$2,697,896 received from Alberta Environment and Sustainable Resource Development and \$1,216,462 in other grants held exclusively for approved projects. (Note 6 – Full breakdown of grant funds).

NOTE 3: CASH

	<u>2024</u>	<u>2023</u>
Cash	\$53,842,029	\$41,195,368
Outstanding Cash Transactions	<u>(3,596,015)</u>	<u>(3,450,631)</u>
Cash	<u>\$50,246,014</u>	<u>\$37,744,737</u>
Grants	\$5,596,874	\$3,828,186
Developer refundable deposits	1,228,932	1,137,604
Developer contributions	20,381	44,180
Other deferred revenue	11,094,704	4,505,363
County reserves and other	<u>32,305,123</u>	<u>28,229,404</u>
Total Cash	<u>\$50,246,014</u>	<u>\$37,744,737</u>

Cash consists of petty cash and cash in bank accounts. Outstanding cash transactions includes outstanding cheques and deposits. Included in cash is a restricted amount of \$5,596,874 (2023 - \$3,828,186), which includes \$2,178,348 Alberta Community Resilience Program, \$1,210,384 from Municipal Sustainability Initiatives, \$903,682 from Drought and Flood Protection Program, \$880,220 from Alberta Environment and Sustainable Resource Development and \$424,238 in other grants held exclusively for approved projects (Note 6 – Full breakdown of grant funds).

NOTE 4: RECEIVABLES

	<u>2024</u>	<u>2023</u>
Property Taxes		
Current taxes and grants in place of taxes	\$3,812,097	\$2,853,397
Arrears taxes	<u>1,837,764</u>	<u>1,406,481</u>
	<u>\$5,649,861</u>	<u>\$4,259,878</u>
Other		
Trade accounts	\$11,460,777	\$12,168,990
Government Transfers	<u>1,030,368</u>	<u>2,455,064</u>
	<u>\$12,491,145</u>	<u>\$14,624,054</u>
Total	<u>\$18,141,006</u>	<u>\$18,883,932</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5: DEBT CHARGES RECOVERABLE

	<u>2024</u>	<u>2023</u>
Current debt charges recoverable	\$ 33,450	\$ 31,900
Non-current debt charges recoverable	<u>266,572</u>	<u>300,021</u>
	<u>\$ 300,022</u>	<u>\$ 331,921</u>

The County has secured long-term financing on behalf of several community organizations for joint projects within the County. This debt is recoverable from the organizations at interest rates from 4.758% to 5.096%. The debts mature and will be fully recovered starting in the year 2029 and ending in 2032.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	33,450	13,960	47,410
2026	35,075	12,335	47,410
2027	36,780	10,630	47,410
2028	38,568	8,842	47,410
2029	40,442	6,968	47,410
Thereafter	<u>115,707</u>	<u>9,823</u>	<u>125,530</u>
	<u>\$ 300,022</u>	<u>\$ 62,558</u>	<u>\$ 362,580</u>

NOTE 6: DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Prepaid property tax	\$1,048,929	\$1,072,174
Municipal Sustainability Initiative – capital	4,920,241	4,657,459
Drought and Flood Protection Program	3,783,248	-
AB Environment & Sustainable Resource Grant	3,578,116	3,430,330
Canada Community Building Fund	1,336,894	-
AB Community Resilience Program	8,855,039	8,420,165
Municipal Sustainability Initiative	-	348,896
Northern and Regional Economic Development	207,537	-
Other operating grants	70,361	156,873
Developer contributions	82,851	196,351
Other deferred revenue	<u>45,100,258</u>	<u>39,488,550</u>
	<u>\$68,983,474</u>	<u>\$57,770,798</u>

Below is a brief description of the nature and restrictions of the above deferred revenue balances:

Prepaid Property Taxes – Contains tax credit amounts arising from Tax Installment Payment Plan and overpaid taxes.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Municipal Sustainability Initiative – Capital – Government of Alberta grant to fund municipal capital projects.

Drought and Flood Protection Program – Government of Alberta grant to fund Langdon Drainage and Graham Reservoir projects.

AB Environmental & Sustainable Resource Grant – Government of Alberta grant to fund Bragg Creek Flood Mitigation project.

Canada Community Building Fund – Government of Canada grant to fund municipal capital projects.

AB Community Resilience Program – Government of Alberta grant to fund Cooperative Stormwater Management Initiative.

Northern and Regional Economic Development – Government of Alberta grant to fund Bragg Creek Growth and Revitalization Project.

Local Government Fiscal Framework – Operating – Government of Alberta grant to fund municipal operating projects.

Other operating grants – Various Grants to fund operating projects or initiatives.

Developer Contributions – Developer contributions for shared municipal operating and capital projects.

Other deferred revenue – Cemetery Deposits, donations, insurance, and other project related payments.

NOTE 7: EMPLOYEE BENEFIT OBLIGATIONS

	<u>2024</u>	<u>2023</u>
Vacation	<u>\$1,480,518</u>	<u>\$1,333,972</u>

The vacation liability comprises the vacation that employees have earned and are deferred to future years.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8: LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Operating debt, maturing between 2029 and 2032, bearing interest at rates between 4.758% and 5.096%	\$ 300,022	\$ 331,921
Capital debt, maturing between 2025 and 2050, bearing interest at rates between 1.288% and 6.70%	49,795,970 <u>\$ 50,095,992</u>	53,466,909 <u>\$ 53,798,830</u>
Funding for future payments from:		
General Tax	\$ 1,876,294	\$ 2,025,602
Emergency Services Tax	443,925	601,078
Local Improvement Tax	7,350,533	6,672,968
Special Levies	36,425,240	40,499,182
User Fees	4,000,000	4,000,000
	<u>\$ 50,095,992</u>	<u>\$ 53,798,830</u>

Principal and interest repayments are as follows:

	<u>Capital</u>	<u>Interest</u>	<u>Operating</u>	<u>Interest</u>	<u>Total</u>
2025	4,511,283	2,113,294	33,450	13,960	6,671,987
2026	3,173,800	1,917,699	35,075	12,335	5,138,909
2027	3,188,236	1,782,129	36,780	10,630	5,017,775
2028	3,203,150	1,646,082	38,568	8,842	4,896,641
2029	3,218,559	1,509,539	40,442	6,968	4,775,508
Remainder	32,500,942	9,769,516	115,707	9,823	42,395,989
Total	<u>\$ 49,795,970</u>	<u>\$ 18,738,259</u>	<u>\$ 300,022</u>	<u>\$ 62,558</u>	<u>\$ 68,896,809</u>

Of the \$300,022 in principal payments to be made in future years on operating debt, all will be paid from tax levies and local improvement tax.

Of the \$49,795,970 in principal payments to be made in future years on capital debt, all will be paid from user fees, special levies, local improvement tax and tax levies.

Interest expense on long-term debt amounted to \$3,038,125 (2023 - \$3,478,782). The County's total cash payments for interest were \$3,037,509 (2023 - \$3,744,563).

The County has a \$5,000,000 (2023 - \$5,000,000) unsecured operating line of credit with ATB Financial. This line of credit bears interest, when utilized, at ¼ % below the prime lending rate as established by ATB Financial. \$1,000,000 of this \$5,000,000 can be utilized for Letters of Credit. One letter of credit in the amount of \$27,500 is set to expire in 2025 and puts the overall line of credit at an available balance of \$4,972,500.

This letter was issued to the Receiver General of Canada on behalf of Fisheries and Oceans

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

Canada to monitor flood mitigation structures built in segments along Bragg Creek and the Elbow River.

NOTE 9: PENSION PLANS

Local Authorities Pension Plan (LAPP)

Employees of the County participate in the Local Authorities Pension Plan ("LAPP" or the "Plan"), which the Public Sector Pension Plans Act covers. This plan is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

Rocky View County must make current service contributions to the Plan of 8.45% of pensionable earnings up to the year's maximum under the Canada Pension Plan ("CPP") and 11.65% of pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 10.65% on pensionable earnings above this amount.

Total employer contributions by Rocky View County to the LAPP in 2024 were \$2,748,318 (2023 - \$2,392,481). Total contributions by the employees of Rocky View County to the LAPP in 2024 were \$2,458,755 (2023 - \$2,146,345).

On December 31, 2023, the date of the most recent actuarial valuation, the Plan disclosed an actuarial surplus of \$15,057 million (2022 - \$12,671 million surplus).

APEX Supplementary Pension Plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act, commenced in 2008 and provides supplementary pension plan benefits. The plan supplements the Local Authorities Pension Plan.

The Chief Administrative Officer and Executive Directors of the County can participate in the APEX Supplementary Pension Plan. Employer and Employee contributions and investment earnings of the APEX fund finance APEX. Contributions for current service are recorded as expenditures in the year in which they become due.

Rocky View County makes current service contributions to the plan of 2.96% of pensionable earnings up to the APEX maximum earnings of \$180,500. Eligible employees of the County can make current service contributions of 2.42% of earnings up to the APEX maximum earnings of \$180,500. Total employer contributions by Rocky View County to APEX in 2024 amounted to \$6,575 (2023 - \$10,348). Total contributions by employees of the County to APEX amounted to \$5,376 for the 2023 year (2023 - \$8,460).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and administration's best estimate of salary, benefit escalation, and retirement ages. The costs of post-retirement benefits are fully funded.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: COMMITMENTS & CONTINGENCIES

No provision has been made on the statement of financial position for the various lawsuits and legal claims filed against the County as the extent of the lawsuits and legal claims are not determinable at December 31, 2024. The amount of any future settlement would be accounted for in the year the losses are determined.

The commitments for the next 4 years are as follows:

	Operating
2025	\$ 4,615,282
2026	\$ 4,555,634
2027	\$ 4,494,717
2028	\$ 3,961,179

In addition to the above the County has entered into agreements for the following major projects:

Project Name	Year of Commitment	Project Type	Amount
Langdon WWTP – EQ Tank	2025	Capital	\$333,213
Langdon Drainage	2025	Capital	\$397,306
Fleet Vehicle and Equipment	2025	Capital	\$832,312
Snow and ice control	2025	Operating	\$725,415
Hwy1&Range Road 33 Interchange	2025	Operating	\$1,274,513
Stoney & Airport Trail Interchange	2025	Operating	\$22,447,447

NOTE 11: RECIPROCAL INSURANCE EXCHANGE MEMBERSHIPS

The County was a member of the Genesis Reciprocal Insurance Exchange and the Jubilee Reciprocal Insurance Exchange as of December 31, 2024. Under the membership terms, the County could become liable for its proportionate share of any claim losses above the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12: DEBT LIMITS

Section 276 (2) of the Municipal Government Act and related provincial regulations require that the debt and debt limits, as defined by Alberta Regulation 255/00, for the County, be disclosed as follows:

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 230,620,445	\$ 234,091,388
Total long term debt	<u>(50,095,992)</u>	<u>(53,798,831)</u>
Total amount of debt limit unused	<u>\$ 180,524,453</u>	<u>\$ 180,292,558</u>
Debt Servicing Limit	\$ 38,436,741	\$ 39,015,231
Debt Servicing	<u>(6,671,986)</u>	<u>(7,791,015)</u>
Amount of Debt Servicing Limit unused	<u>\$ 31,764,755</u>	<u>\$ 31,224,216</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County; rather, the financial statements must be interpreted as a whole.

NOTE 13: ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$10,911,616	\$8,710,823
Capital deficit	<u>(5,965,551)</u>	<u>(6,818,675)</u>
	<u>\$4,946,065</u>	<u>\$1,892,148</u>
Restricted surplus		
Reserve funds		
General operating	\$6,010,480	\$4,075,015
Roads	7,050,241	5,795,590
Offsite levies	5,438,328	4,775,194
Tax stabilization	62,776,082	51,920,174
Utility	2,295,846	1,813,710
Public	23,097,736	19,547,078
Equipment	4,245,118	4,602,276
Recreation – Springbank	9,906,778	8,918,597
Voluntary recreation	1,653,992	1,554,991
Total Reserve funds	<u>\$122,474,601</u>	<u>\$103,002,625</u>
Equity in water license	\$21,161,000	21,161,000
Equity in tangible capital assets (Note 18)	<u>697,382,469</u>	<u>657,101,494</u>
	<u>\$845,964,135</u>	<u>\$783,157,267</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and temporary investments, accounts receivable, debt charges recoverable, accounts payable and accrued liabilities, employee benefit obligations, deposits liabilities, and long-term debt. The nature of these instruments and the County's operations expose the County to credit and liquidity risks. The County manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There have been no changes from the previous year's policies, procedures and methods to measure risks.

A. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates might have an effect on the cashflows associated with some financial assets and liabilities. The County is exposed to interest rate risk on its bank indebtedness and temporary investments. As at December 31, 2024 the County had investments bearing interest at 3.96% to 5.43% (2023 – 5.70 to 6.35%) and long-term debt bearing interest at 1.288% to 6.70% (2023 – 1.288% to 6.70%). The County actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation.

B. Credit risk

The County is subject to credit risk with respect to taxes and grants in place of taxes, accounts receivable, and debt charges recoverable. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfill their obligations. Management believes that the risk of default and the risk of concentration of credit risk is minimized by the fact that there is a large number and diversity of taxpayers and receivables comprise amounts receivable from the Government of Alberta for grants, property taxes, and trade receivables, which are subject to normal trade credit risk which is not significant as the County manages and analyzes the outstanding accounts receivable balances.

C. Liquidity risk

Liquidity risk is the risk that the County will not be able to meet its financial obligations as they come due. The County has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements of the County on an ongoing basis. The County ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows and its holdings of cash and cash equivalents. The following table sets out the contractual maturities (representing contractual cash flows) of financial liabilities:

	<u>0-90 days</u>	<u>Over 90 days</u>
Accounts payable and accruals	\$21,737,788	\$ -
Deposit liability	-	7,825,302
Long-term debt	206,463	49,889,529
	<u>\$21,944,251</u>	<u>\$57,714,831</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 15: SALARY AND BENEFIT DISCLOSURE

Salaries and benefits for elected Municipal Officials, the Chief Administrative Officer, and the Designated Officers, as required by Alberta Regulation 313/2000, are disclosed as follows:

	No. of Persons	Salary	Benefits & Allowances	2024 Total	2023 No. of Persons	2023 Total
Councillors:						
Division 1	1	\$92,222	\$15,120	\$107,342	1	\$107,628
Division 2	1	99,127	10,818	109,945	1	100,556
Division 3	1	126,584	15,688	142,272	1	137,305
Division 4	1	92,222	15,120	107,342	1	103,382
Division 5	1	92,222	10,916	103,138	1	99,500
Division 6	1	92,222	14,606	106,828	1	106,637
Division 7	1	92,222	10,920	103,142	1	99,552
CAO	3	289,931	28,887	318,818	3	448,890
Designated Officers	2	299,716	58,121	357,837	2	343,971

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and other direct cash remuneration.
- (2) Elected Officials: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, travel allowance and general expense allowance.
- (3) Chief Administrative Officer/Designated Officers: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), employment insurance, extended health care, dental coverage, vision coverage, group life insurance, accidental disability, and dismemberment insurance, local authorities pension plan (LAPP), and APEX Supplementary Pension Plan.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16: ASSET RETIREMENT OBLIGATION

Landfill

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 11-14 years period using the best information available to management. Future events may result in significant changes to the estimated total expense and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The landfills are closed and now in the post closure phase. The County is responsible for landfill sites that have been capped and closed with no further useful life and capacity. No performance bonds have been paid on the sites, and no assets have been specifically allocated to these sites. The estimated total liability is based on the sum of discounted future cash flows of post-closure activities for the remainder period for post-closure care between 10 years and 13 years using the discount rate of 2.48%. The total estimated ARO is \$459,726.

Lagoons

The County has a license to operate lagoons. The county is legally required to decommission and reclaim these lagoons at the end of their useful life. In accordance with PS 3280, Asset Retirement Obligations, the County estimated the ARO using the undiscounted future expenditures expected to be incurred within 1- 24 years period. The County applied the discount rate of 2.48% to estimate the present value of the associated AROs. The total estimated ARO is \$1,162,920.

Gravel Pits

The County operates various pits which have an estimated useful life of 1 to 54 years. The County is legally required to reclaim these pits at the end of their useful life. The County estimated the ARO for these pits using the undiscounted future expenditures expected to be incurred within 1- 54 years period. The County applied the discount rate of 2.48% to estimate the present value of the associated AROs. The total estimated ARO is \$2,246,518.

Asset Retirement Obligation	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$3,748,757	\$3,797,619
Liabilities settled	(11,225)	(192,149)
Change in estimated cash flows	70,417	
Accretion expense	<u>61,215</u>	<u>143,287</u>
Estimated total liability	<u>\$3,869,164</u>	<u>\$3,748,757</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: CONTAMINATED SITES LIABILITY

Due to road salt saturation of some soils at the Cochrane Gravel Pit as a result of day-to-day operations, a 3rd party consultant was called in the first quarter of 2024 to inspect the sites and has established that there is potential for a contaminated site liability. The County has not recorded a provision because the layer that was contaminated has the potential to become inventory. The County and Alberta Environment have determined the salt contaminated material can produce a material for beneficial use. The development of a plan to facilitate this method of reclamation is ongoing currently.

NOTE 18: EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets (Schedule 2)	\$1,451,579,204	\$1,387,313,538
Accumulated amortization (Schedule 2)	(700,531,601)	(672,996,378)
Asset Retirement Obligation (Note 16)	(3,869,164)	(3,748,757)
Long term debt (Note 8)	(50,095,992)	(53,798,830)
Debt charges recoverable (Note 5)	300,022	331,921
	<u>\$697,382,469</u>	<u>\$657,101,494</u>

NOTE 19: SEGMENTED DISCLOSURE

The County conducts its business through a number of reportable segments. The operating segments are established by management and facilitate the achievement of long-term objectives and aid in resource allocation decisions. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated reasonably. The accounting policies in these segments are consistent with those followed in preparing the financial statements.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

General Government includes Council, Other legislative, and General administration.

Emergency Services include Fire, Bylaw, Police, and traffic enforcement.

Infrastructure & Operations Services include Roads, Capital projects & Engineering services, Asset management, Fleet, Cemetery, Water, Stormwater, Wastewater, and Waste & recycling.

Planning & Development includes Planning services, Building services, Economic Development, and Development compliance.

Community Services include Recreation & Community support and Family and Community Support Services (FCSS).

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 20: BUDGET

The budget figures presented in these financial statements are based on the budget approved by council on April 23, 2024, and subsequent budget adjustments are not included.

The schedule below reconciles the approved budget to the budget figures reported in these financial statements:

	<u>2024</u>
Budgeted Deficit reported in financial statements	\$(13,602,200)
Capital Revenue Funding Operation	(1,553,300)
Principal payments on long-term debt	(5,571,700)
Amortization expense	27,393,700
Net transfer from reserve	(6,666,500)
Approved budget surplus for the year	<u>-</u>

NOTE 21: COMPARATIVE FIGURES

Certain prior year corresponding figures have been restated to conform to the current year's presentation.

NOTE 22: PRIOR PERIOD ADJUSTMENT

In the current year, Rocky View County has adopted the new revenue recognition standard, effective as of January 1, 2024, in accordance with the Public Sector Accounting Standards (PSAS). This new standard introduces a comprehensive approach to recognizing revenue, particularly in relation to the timing and measurement of revenues from exchange transactions, contributions, and other funding sources.

As permitted by PS3400, the County has chosen to apply this new standard retroactively. The retroactive application reflects the treatment of revenues and the related recognition criteria as they would have been accounted for under the new standard in prior periods. The financial statements have been adjusted to reflect the impact of the new standard for the comparative periods. The opening balance as of January 1, 2023 for the Tax Stabilization Reserve has been reduced by \$3,577,816 with an offsetting increase to the Deferred Revenue of \$3,577,816. The 2023 revenues have been reduced by \$1,149,086 (Licenses and permits - \$1,079,001, User Fees - \$70,085) with an offsetting decrease to the Tax Stabilization Reserve and an increase to Deferred Revenue on the Statement of Financial Position.

There is an additional prior period adjustment due to the treatment of developer levies. Due to PS3100 the county will now only recognize developer contributions as revenue upon project

ROCKY VIEW COUNTY
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completion or as tied to project expenses. The impact of this reclassification upon financial statement presentation is shown below.

Adjustments to prior period financials

	PS3100	PS3400
Statement of Operations		
Development Agreements and Levies (Operating)	\$7,221,335	\$ -
Investment Income	(2,102,321)	-
Developer Agreements and Levies (Capital)	40,980	-
Licences and Permits	-	1,079,001
User Fees	-	70,085
Excess Revenue Over Expenses	<u>\$5,159,994</u>	<u>\$(1,149,086)</u>
Statement of Financial Position		
Deferred Revenue	\$31,841,198	\$4,726,902
Accumulated Surplus - Opening	(37,001,192)	(3,577,816)
Accumulated Surplus - Ending	<u>\$(31,841,198)</u>	<u>\$(4,726,902)</u>

NOTE 23: APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.